

market crash and 'good' times were no more

New words came into the language during the boom years of the 1920's, words like "bath tub gin," "speak easy," and "blind pig." Such national figures as the gangster and the flapper also came into being during the period which has been called the most inglorious in the history of the United States. Money was free and easy; morals were the same as Louisville and the nation responded to prohibition.

Prosperity increased and many confidently predicted that the "good" times would last forever.

But forever was a short time.

Even as such rosy predictions were being made, the bubble was about to burst, and soon the nation—Louisville along with it—would fall from the peak of prosperity into the valley of despair.

The end of the boom came on that "Black Monday" in late October, 1929, when the stock market collapsed and prosperity came tumbling down like a house of cards. Stocks suddenly were worthless; giant corporations collapsed; Wall Street was in a panic; banks closed, unable to meet the call of depositors for cash. More than \$50,000,000,000 of American wealth was wiped out in the twinkling of an eye.

Ironically, the year the boom became a dull thud saw several developments born from the

enthusiasm of the good times come into realization in Louisville. Memorial Auditorium was opened, the \$5,000,000 bridge across the river to Jeffersonville received its first traffic, and the Filson Club moved into a new home.

The crash was felt fully in Louisville in 1930 when banks began to fail here as elsewhere. The city celebrated its 150th birthday on May 1 that year in anything but a festive mood, with unemployment mounting and with dark uncertainty replacing the bright confidence of the year before.

Louisville had its own particular financial tragedy in the failure of the Bank of Kentucky and its holding company, Banco Kentucky, which on November 17 shut its doors, leaving 6,000 stockholders responsible for its obligations and leading to a suit to recover \$25,000,000.

The situation was darkened further by the fact that 1930 was one of the worst drought years on record, and crop failures were widespread.

The depression worsened and Louisville was in a state of shock for a year or more. Jobs were lost; sales were off; production slumped; businesses failed.

This was the great depression.

But Louisville is a city with an inner courage and stubbornness that has been its stock in

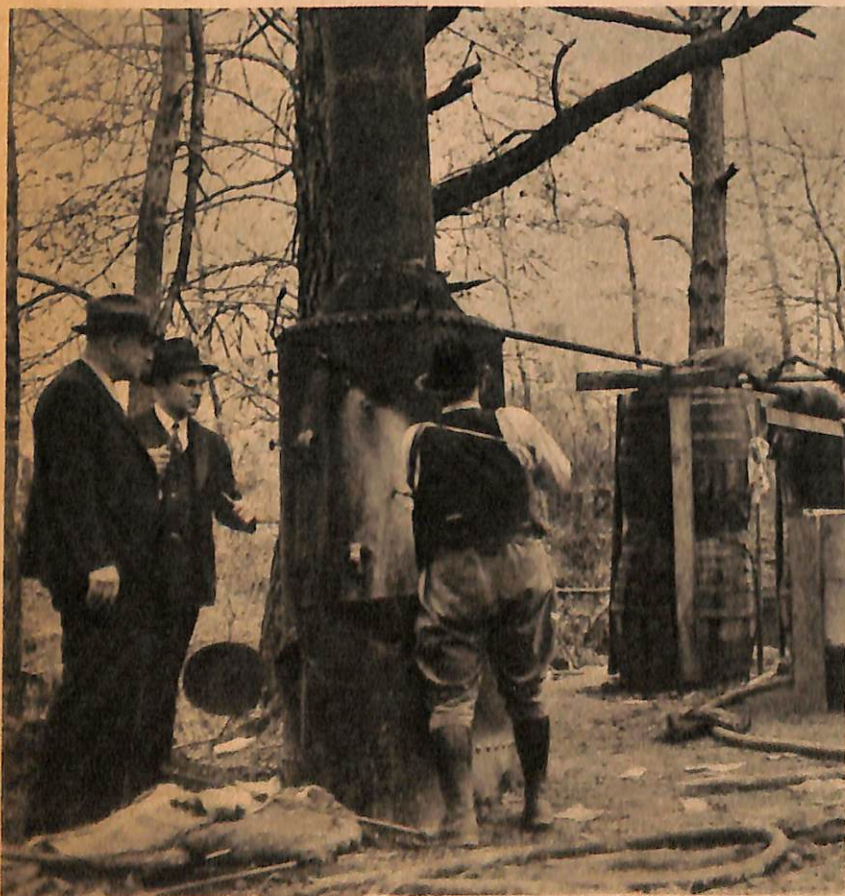
trade ever since Clark and his little band settled on the tiny island above the falls of the river. When things seemed most desperate, Louisville took a close look at itself and found that, compared to many other cities, it wasn't too bad off. Thousands were out of work, but the diverse character and wide distribution of its industries was keeping a faint economic spark burning.

The city began to stir a bit.

Even during the most stagnant years of the depression—1931, 1932 and 1933—some important developments took place in Louisville which reaffirmed the faith of its people in the future. The Louisville & Nashville Railroad erected an annex to its main office building; Brown & Williamson Tobacco Company moved its offices to the city; Camp Knox was made a permanent military post and renamed Fort Knox; air mail service was inaugurated; the cornerstone of a new Federal Building was laid.

Louisville was beginning to respond to the philosophy of President Franklin D. Roosevelt, who, in his fireside radio addresses, kept repeating that "all we have to fear is fear itself."

City and Federal government work programs—construction of schools and housing projects,



PROHIBITION CAME and making whisky was illegal, but the country didn't dry up. Moonshine stills like this one took up the slack.



'BLACK MONDAY', 1929, ended prosperity when the stock market crashed. The full effect was felt in Louisville the next year.